GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:158
ANSWERED ON:10.03.2017
Financial Autonomy
Chandumajra Shri Prem Singh

Will the Minister of FINANCE be pleased to state:

(a) whether India has been ranked at 143rd out of 186 countries in the annual index of Economic Freedom 2017 regarding financial autonomy by the Heritage Foundation;

(b) if so, the details thereof and the norms/guidelines for assessment of the financial autonomy of the aforesaid report;

(c) whether India is at the lowest pedestal even in the list of BRICS countries and if so, the details thereof; and

(d) the steps taken by the Government to improve the degree of economic freedom?

Answer

FINANCE MINISTER
(SHRI ARUN JAITLEY)

(a)to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 158
BY PROF. PREM SINGH CHANDUMAJRA
DUE FOR ANSWER ON 10th March, 2017

The Index of Economic Freedom is an annual index compiled and released by the Heritage Foundation, a private think tank based in Washington, USA. The index scores countries on a scale of 0 to 100, by aggregating twelve aspects of economic freedom separated into four broad categories − rule of law; government size; regulatory efficiency; and open markets. As per the Index of Economic Freedom 2017, India has been ranked at 143rd out of 186 countries. Financial freedom is one of the aspects covered under the category open markets. As per the Index, the four BRICS countries are ranked above India.
The Government has been continuously improving regulatory frameworks, promoting private sector investment and following the path of fiscal consolidation. Some of the recent steps are as follows: (a) focus on expenditure rationalization with plugging loopholes in public expenditure and innovative revenue raising efforts have helped achieve lower fiscal deficit; (b) a phased programme for public sector banks recapitalization has been launched; (c) the Insolvency and Bankruptcy Code, 2016 has been enacted; and (d) the RBI Act, 1934 was amended to provide for a statutory monetary policy framework.